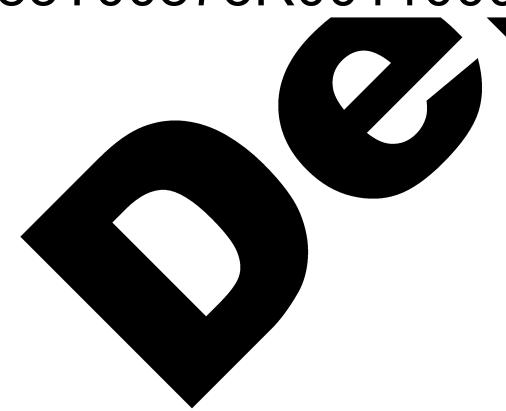
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Developments in Indochina

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Developments in Indochina

This publication was prepared by the East Asia - Pacific Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Phnom Penh is confronted with a serious manpower problem. It is estimated that the army will have to increase its combat strength by 30,000 men within the next two months, if it is to have a reasonable chance of withstanding an all-out Communist offensive during the dry season.

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Japan, the largest free world trading partner of the North Vietnamese, reportedly plans to extend \$20 million in grant aid now that diplomatic relations have been established. The grant aid, equivalent to that planned for Saigon in 1973, is not likely to be disbursed this year.

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Government and Lao Communist officials are moving quickly to implement the peace agreement. The chief Lao Communist negotiator has asked the Soviet and British embassies to reactivate the International Control Commission. Souvanna has been busy lobbying among key National Assembly deputies to ensure approval of the new coalition government.

CAMBODIA

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The Manpower Problem

Over two months ago--during the height of the Khmer Communist offensive against Phnom Penh--President Lon Nol signed Cambodia's first conscription law. Conscription, along with a stepped-up recruitment campaign, was designed to build up the capital's dangerously understrength general reserve force. the Communist threat to Phnom Penh has diminished for the moment, the Cambodian Army's manpower problem has So far, the draft--which had an initial quota of 16,000--has netted fewer than 2,000 new troops. recruitment drive has been more successful, producing close to 6,000 volunteers, but these gains have not even offset two months of steady battlefield casualties and desertions. In August, for example, government losses were reported at approximately 1,900 killed, 3,800 wounded, and 1,300 missing. There also were 6,800 deserters. The average strength of an army battalion now stands at 350 troops, contrasted with an authorized strength of over 500.

The government's military planners estimate that the army will have to increase its combat strength by 30,000 men within the next two months if it is to have a reasonable chance of withstanding an all-out Communist offensive during the dry season. To reach this goal, military leaders are hoping for 13,000 new recruits, 2,000 retrained headquarters personnel, and 15,000 draftees. An improved pay system, new combat bonuses, and a proposed rice allowance will probably make the recruitment goal a realistic one. Chances for meeting the draft quota, however, are not as good.

Initial efforts to implement the conscription law fared poorly. Mindful of the law's potential unpopularity, Prime Minister In Tam tried to avoid student opposition by limiting the first draft call to

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the 31-35 age group. When only a handful from that group responded, the national police then resorted to strong-arm tactics to help fill the draft quota. The resulting public outcry over those tactics led to a virtual suspension of the conscription campaign by the end of August.

Efforts are now under way to revive the draft. Present plans call for lowering the draft age to 25 and creating a civilian/military commission with real authority to enforce the conscription law. Prime Minister In Tam has consented to this new program, but as yet he has had little success finding someone to head the new commission. Sirik Matak has declined the position, as has former defense minister Sak Sutsakhan. Once a suitable candidate is found, it may be some time before the new machinery is fully organized and new draft notices are issued.

In addition to squeezing domestic sources for more troops, the Lon Nol government probably still hopes to be able to obtain more manpower from the ethnic Cambodian (Khmer Krom) population in the delta region of South Vietnam. During the first two years of the war, Khmer Krom units were the most effective combat force on the government side. The steady fighting has severely depleted Khmer Krom ranks, however, and only a few predominantly Khmer Krom outfits remain. prime minister Son Ngoc Thanh's recent attempts to persmade Saigon to allow a new recruiting drive in the delta have met with little success. Lon Nol may have better luck if he personally sends an appeal on this matter to President Thieu. If Thieu agrees to such a request, however, it may be for recruitment of only a relatively small number of Khmer Krom.

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NORTH VIETNAM

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Japanese Aid to Hanoi

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Japan reportedly plans to extend \$20 million in grant aid to North Vietnam now that diplomatic relations between the two countries have been established. This amount is equivalent to the grant aid planned for Saigon in 1973, but neither the aid to Hanoi nor that to Saigon is likely to be disbursed this year. The grant is to be in lieu of World War II reparations payments, which Japan refuses to make on the grounds they were paid to Saigon for all of Vietnam in accordance with an agreement reached in January 1960.

Prior to the start of the recent talks between Tokyo and Hanoi, the Japanese feared that the North Vietnamese might demand that Tokyo agree to make reparations payments to North Vietnam, recognize the status of the PRG in South Vietnam, and suspend

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shipments of weapons from US bases in Japan to South Vietnam. Hanoi failed to insist on any preconditions, however, when it became apparent that Tokyo would not discuss these issues.

Although it has never taken more than \$12 million of North Vietnam's exports nor supplied more than four percent of its imports, Japan is Hanoi's largest free world trading partner and potentially one of its greatest aid donors. Private Japanese firms and trade organizations have been actively proposing projects to the North Vietnamese since the cease-fire. of the projects, however, are dependent on guaranteed financing, which the Japanese Government has been reluctant to provide while fighting continues. the reconstruction program and the development of new projects are time-consuming, with long lead times for planning and survey work, the Japanese probably will protract these preliminary stages until the situation in Indochina is more stable. while, will continue to rely on its Communist aid donors for the bulk of its reconstruction and development assistance.

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Prominent Prisoners Set Free

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The release of Madame Ngo Ba Thanh and three other prominent civilian prisoners last weekend apparently reflects an effort by the Saigon government to improve its image on the prisoner issue. The issue has received considerable attention in the Western press, which has focused in particular on the case of Madame Thanh.

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The government probably does not view Madame Thanh as a threat, since the radical feminist leader has a very small following within South Vietnam. Although she was released "on bail," a presidential aide has informed the US Embassy that there is no intention to prosecute her further and that she is free to travel abroad. Madame Thanh has been offered a position at Columbia University.

Three radical labor leaders who were also released had been given 18-month jail terms earlier this month. Tran Quoc Buu, the leader of South Vietnam's major union, told an embassy officer that the three were turned over to him after he personally intervened with President Thieu. Buu claims he had informed Thieu that South Vietnam would receive unfavorable publicity if the three men remained in jail.

The government has shown greater concern for its overall international image in recent months. One motive has been a desire to improve its chances of getting substantial aid grants from the US Congress as well as from various other governments. The Thieu regime will remain vulnerable on the prisoner issue, however, because it still holds such well-known figures as former Lower House deputy Tran Ngoc Chau and student leader Huynh Tan Mam.

Changes Pending in Saigon?

There are indications that President Thieu is once again considering changes in the government. He apparently asked his closest aide, Hoang Duc Nha, to come up with recommendations, and Nha has responded with a plan for reorganization under which the ministries would be grouped into three functional blocs: political, military, and economic. Nha is proposing himself as the overseer of the government's political functions. If this sweeping plan is put into effect, it presumably will further reduce the authority of Prime Minister Khiem, who already has lost some influence to Nha.

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It is uncertain how soon any changes will be announced, since Thieu usually deliberates at great length on such matters. Nor is it at all certain that Thieu will approve anything as extensive as Nha proposes; many previous suggestions from Nha have been watered down. Thieu apparently has been mulling over a fairly extensive restructuring, however, and some changes seem likely. Three cabinet ministers, including Foreign Minister Lam, were elected to the Senate last month, and no permanent successors have been named. Moreover, sharply rising prices and rice shortages have brought the government's economic policy under fire, and Thieu might respond by replacing the finance or economy minister.

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LAOS

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Implementing the Peace Accords

Government and Lao Communist officials appear to be losing little time coming to grips with the host of practical problems involved in getting the peace agreement into operation. The Communists in particular have given the impression that they are in no mood to drag out the implementation of the agreement. Immediately following the signing of the agreement's protocol on 14 September, chief Lao Communist negotiator Phoumi Vongvichit spent an entire day ironing out specific provisions of the agreement with Prime Minister Souvanna and his chief negotiator, Pheng Phongsavan.

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Souvanna has not been idle, either. He has launched a quiet but intensive lobbying effort among key National Assembly deputies to ensure approval of the new coalition government. Souvanna hopes to get over this hurdle before 11 October, when the assembly is scheduled to adjourn. Souvanna has also named his delegation—led by Pheng—to the Joint Committee to Implement the Agreement, a body created to work out the day—to—day problems of implementation. Finally, Souvanna has tentatively decided to name Sisouk na Champassak as minister of defense in the new government, Pheng as minister of interior, and—despite the misgivings of army leaders—Ngon Sananikone as minister of finance.

The Communists have not yet provided a list of their personnel for the new government, but Phoumi presumably will bring it back when he returns from

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Sam Neua. Meanwhile, there is still no word as to when senior Lao Communist officials will come back to Vientiane. The Communists, painfully aware that the assassination of neutralist foreign minister Quinim Pholsena in 1963 led to the collapse of the last coalition government, are insisting on adequate security arrangements prior to the arrival of their personnel. The first step in this process is the positioning of Pathet Lao police and military units in Vientiane.

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